

## UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG \_\_\_\_\_ ELECTRIC LOGS \_\_\_\_\_ FILE X WATER SANDS \_\_\_\_\_ LOCATION INSPECTED \_\_\_\_\_ SUB. REPORT/abd \_\_\_\_\_

DATE FILED 9-22-86

LAND: FEE & PATENTED \_\_\_\_\_ STATE LEASE NO. \_\_\_\_\_ PUBLIC LEASE NO. U-37837 INDIAN \_\_\_\_\_

DRILLING APPROVED: 10-14-86 (Cause No. 210-1)

SPUDED IN: \_\_\_\_\_

COMPLETED: \_\_\_\_\_ PUT TO PRODUCING: \_\_\_\_\_

INITIAL PRODUCTION: \_\_\_\_\_

GRAVITY A.P.I. \_\_\_\_\_

GOR: \_\_\_\_\_

PRODUCING ZONES: \_\_\_\_\_

TOTAL DEPTH: \_\_\_\_\_

WELL ELEVATION: \_\_\_\_\_

DATE ABANDONED: Jan 10-9-88

FIELD: UNDESIGNATED

UNIT: \_\_\_\_\_

COUNTY: UINTAH

WELL NO. LIZARD CREEK FEDERAL 2-10 API #43-047-31760

LOCATION 1100' FNL FT. FROM (N) (S) LINE. 800' FEL FT. FROM (E) (W) LINE. NE NE 1/4 - 1/4 SEC. 10

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
				<u>11S</u>	<u>22E</u>	<u>10</u>	<u>EP OPERATING COMPANY</u>

ENSERCH  
EXPLORATION

7800 Stemmons Frwy.  
Suite 500  
Dallas, Texas 75247  
214/630-8711

C. H. Peebles  
Regional Drilling Manager  
Western Region  
Drilling Department

September 17, 1986

State of Utah  
Department of Natural Resources  
Division of Oil, Gas & Mining  
355 W. North Temple  
3 Triad Center - Suite 350  
Salt Lake City, Utah 84180

RECEIVED  
SEP 22 1986

DIVISION OF  
OIL, GAS & MINING

Re: Applications for Permit to Drill  
Uintah County, Utah  
-Sagebrush Federal No. 2-8  
Section 8, T10S-R23E  
API No. 43-047-31636

-Lizard Creek Federal No. 2-10  
Section 10, T11S-R22E  
API No. 43-047-31638

The captioned APD's were rescinded by your office August 13, 1986 in concert with the action taken by the U. S. Bureau of Land Management. We are resubmitting these applications with the BLM and your office in anticipation that these wells will be drilled in 1987.

If you have any questions or if additional information is required, please advise.

Very truly yours,

C. H. Peebles/BV

C. H. Peebles  
Regional Drilling Manager,  
for EP Operating Company  
a limited partnership by  
Enserch Exploration, Inc.  
Managing General Partner

MEK/hrs  
Attach

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK  
DRILL ☒ DEEPEN ☐ PLUG BACK ☐  
b. TYPE OF WELL  
OIL WELL ☐ GAS WELL ☒ OTHER ☐ SINGLE ZONE ☒ MULTIPLE ZONE ☐  
2. NAME OF OPERATOR  
EP Operating Company 214/630-8711  
3. ADDRESS OF OPERATOR  
7800 Stemmons Frwy., Suite 500 - Dallas  
4. LOCATION OF WELL (Report location clearly and in accordance with BLM Manual)  
At surface 1100' FNL & 800' FEL (NE-NE)  
At proposed prod. zone Same  
5. LEASE DESIGNATION AND SERIAL NO.  
U-37837  
6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
NA  
7. UNIT AGREEMENT NAME  
NA  
8. FARM OR LEASE NAME  
Lizard Creek Federal  
9. WELL NO.  
2-10  
10. FIELD AND POOL, OR WILDCAT  
UNDESIGNATED Bitter Creek Field  
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
Section 10, T11S-R22E S.L.B.&M.  
12. COUNTY OR PARISH  
Uintah  
13. STATE  
Utah  
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
25.6 Miles SE of Ouray, Utah  
15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)  
1100'  
16. NO. OF ACRES IN LEASE  
1520'  
17. NO. OF ACRES ASSIGNED TO THIS WELL  
320  
18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.  
7500'  
19. PROPOSED DEPTH  
7500'  
20. ROTARY OR CABLE TOOLS  
Rotary  
21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
5159' GR  
22. APPROX. DATE WORK WILL START\*  
June, 1987

RECEIVED  
SEP 22 1986

DIVISION OF  
OIL, GAS & MINING

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	48#	200'	To Surface
12-1/4"	8-5/8"	24#	2000'	To Surface
7-7/8"	5-1/2"	17#	7500'	Into Intermediate Casing

Anticipated BHP =  $\pm$  3500 psi

Propose to drill a 17-1/2 inch hole to 200 feet. Set 13-3/8 inch casing and cement to surface. Install a 13-5/8 inch x 13-3/8 inch, 3000 psi wellhead and a 12 inch x 3000 psi annular preventer to be used as a diverter. The BOP will be tested to 1500 psi. An aerated drilling fluid will be used to approximately 2000 feet where an intermediate casing string of 8-5/8 inch casing will be run to total depth and cemented back to surface. An 8-5/8 inch x 11 inch, 3000 psi wellhead will be installed along with a minimum of 11 inch, 3000 psi double hydraulic pipe and blind rams, and an annular preventer. The rams will be tested to 3000 psi and the annular to 1500 psi. A 7-7/8 inch hole will be drilled to total depth and 5-1/2 inch casing set if productive. If the well is non-productive, plugs will be set and the location will be restored according to B.L.M. instructions.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED C. H. Peeples TITLE Regional Drilling Manager DATE September 15, 1986  
(This space for Federal or State office use)

PERMIT NO. 43-047-31760

APPROVAL DATE APPROVED BY THE STATE  
OF UTAH DIVISION OF  
OIL, GAS, AND MINING

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY:

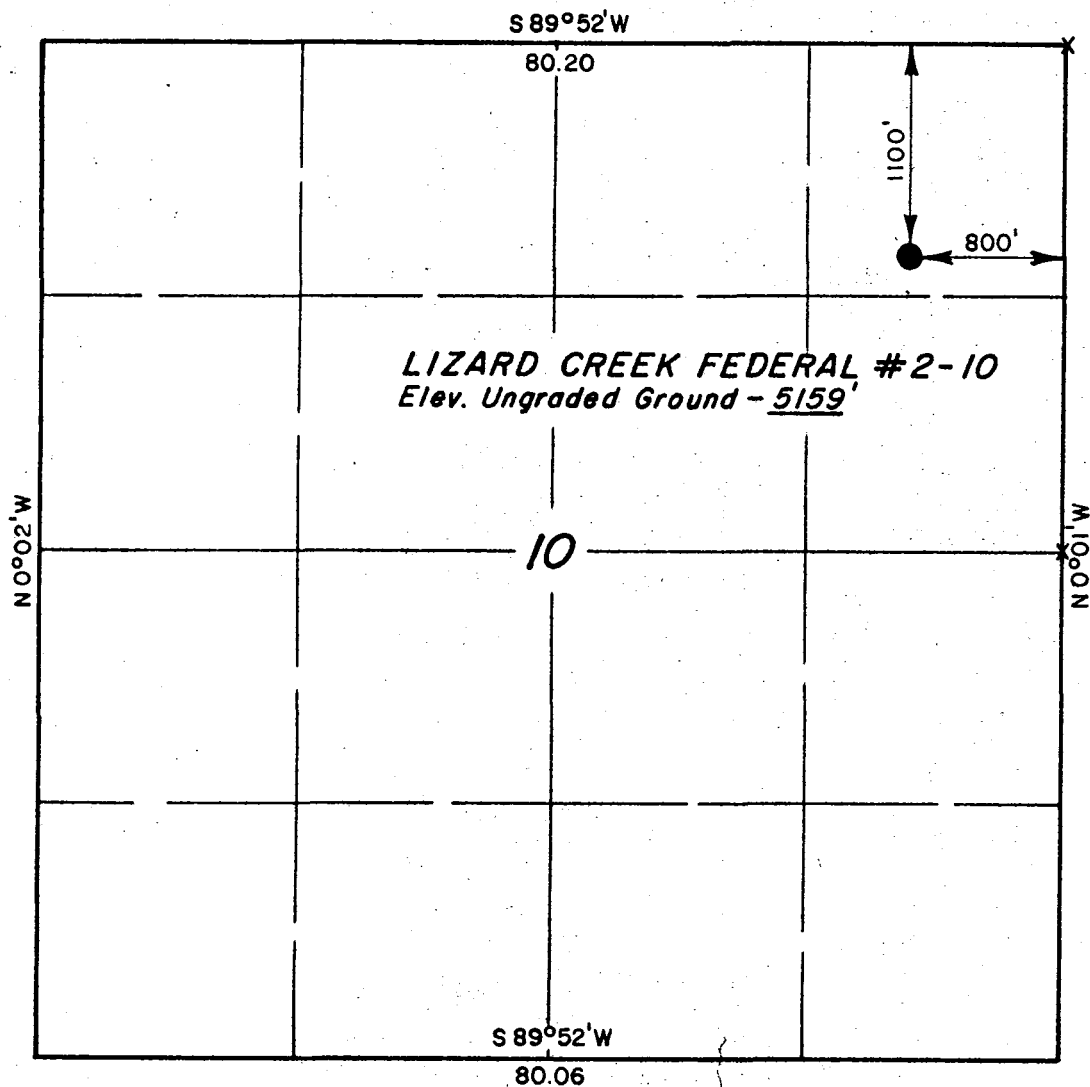
DATE: 10-15-86  
BY: John R. Daga  
WELL SPACING: 250-1

\*See Instructions On Reverse Side

**T 11 S , R 22 E , S.L.B. & M.**

**PROJECT**  
**ENSERCH EXPLORATION INC.**

Well location, **LIZARD CREEK FEDERAL #2-10**  
located as shown in the NE 1/4 NE 1/4, Section  
10, T 11 S , R 22 E , S.L.B. & M., Uintah Co., Utah.



**CERTIFICATE**

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM  
FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY  
SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE  
BEST OF MY KNOWLEDGE AND BELIEF.

*[Signature]*  
REGISTERED LAND SURVEYOR  
REGISTRATION NO 2454  
STATE OF UTAH

**UINTAH ENGINEERING & LAND SURVEYING**  
**P.O. BOX Q - 85 SOUTH - 200 EAST**  
**VERNAL, UTAH - 84078**

SCALE 1" = 1000'	DATE 4 - 29 - 85
PARTY DK, DLS DLS	REFERENCES GLO Plat
WEATHER Cool	FILE Enserch

X = Located Section Corners

LIST OF ATTACHMENTS

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

A. DRILLING PROGRAM

B. THIRTEEN POINT SURFACE USE PLAN

EXHIBIT "A" - MINIMUM BLOWOUT PREVENTER REQUIREMENTS

LOCATION LAYOUT - CUT SHEET

LOCATION OF PRODUCTION FACILITIES

TOPOGRAPHIC MAP "A"

TOPOGRAPHIC MAP "B"

BONDING STATEMENT

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

COMPANY: EP Operating Company WELL NO. 2-10  
LOCATION: Section 10 T 11S R 22E LEASE NO. U-37837  
ONSITE INSPECTION DATE: May 8, 1985

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

A. DRILLING PROGRAM:

1. Surface Formation and Estimated Formation Tops:

Uinta	Surface
Green River	1209'
Wasatch	2401'
Dark Canyon	4831'
Mesaverde	5671'

2. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered:

<u>FORMATION</u>	<u>DEPTH</u>	<u>REMARKS</u>
Green River	1209'	Oil
Trona	2390'	Salt Water
Wasatch	2401'	Gas
Dark Canyon	4831'	Gas
Mesaverde	5671'	Gas

All fresh water and prospectively valuable minerals (as described by B.L.M. at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

### 3. Pressure Control Equipment:

- A. 200' - 2000' a minimum of a 12 inch, 3000 psi annular preventer will be used as a diverter system while drilling the intermediate hole. The diverter will be adequate for drilling the sub normally pressured formations through this interval.
- B. 2000' - 7500' Exhibit "A" is a schematic of the minimum requirements for the blowout prevention equipment. An 11 inch, 3000 psi working pressure double hydraulic BOP with pipe and blind rams will be installed on the casinghead prior to drilling below the 8-5/8 inch casing. An annular preventer will also be installed.

A rotating head will also be used while drilling from 200 feet to approximately 4500 feet to facilitate aerated drilling.

The diverter system will be pressure tested to 1500 psi before drilling out from under surface casing. Another pressure test will be conducted before drilling out from under intermediate casing. The BOP equipment will be tested to 3000 psi. BOP systems will be consistent with API RP 53. Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. Preventers will be pressure tested before drilling casing and cement plugs.

The District Office will be notified, with sufficient lead time, in order to have a B.L.M. representative on location during pressure testing.

### 4. Casing Program and Auxiliary Equipment:

<u>SETTING DEPTH</u>	<u>SIZE</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>CONDITION</u>	<u>CEMENT TOP</u>
0' - 200'	13-3/8"	48#	H-40, STC	New	Back to Surface
0' - 2000'	8-5/8"	24#	K-55, STC	New	Back to Surface
0' - 7500'	5-1/2"	17#	N-80, LTC	New	2000'

Anticipated cement tops will be reported as to depth, not the expected number of sacks of cement to be used. The District Office will be notified, with sufficient lead time, in order to have a B.L.M. representative on location while running all casing strings and cementing.

## Auxiliary Equipment

1. An upper kelly cock will be kept in the string at all times.
  2. A float at the bit will be used.
  3. A full opening safety valve will be kept on the floor for stabbing into the drill pipe when the kelly is not in the string.
  4. A mud logging unit with gas detecting equipment will be used from 2000 feet to total depth.
5. Mud Program and Circulating Medium:

<u>INTERVAL</u>	<u>MEDIUM</u>	<u>ANTICIPATED PROPERTIES</u>
0' - 200'	Fresh Water/Native Mud	MW - 8.5 - 9.0 ppg VIS - 28 - 32 sec./qt.
200' - 4500'	Air/Air Mist/ Aerated Fresh Water	MW - 8.0 - 8.4 ppg VIS - 24 - 28 sec./qt.
4500' - 7500'	Aerated Water/ Salt-Gel System	MW - 9.0 - 10.4 ppg VIS - 35 - 45 sec./qt. WL - 12 cc's or less

No chromate additives will be used in the mud system on Federal and Indian lands without prior B.L.M. approval to ensure adequate protection of fresh water aquifers.

## 6. Coring, Logging and Testing Program:

There are no drill stem tests or cores anticipated.

A suite of open hole logs will be run upon reaching total depth. The logs will include:

DLL/MSFL/GR/CAL  
CN/CD/GR/CAL  
BHC Sonic/GR

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the authorized officer (AO).



7. Abnormal Conditions, Bottom Hole Pressures and Potential Hazards:

No abnormal pressures, temperatures, H<sub>2</sub>S or other potential hazards have been reported from wells drilled to these depths in this area; thus none are anticipated for this well.

8. Anticipated Starting Dates and Notification of Operations:

Location construction will begin on or about July 1, 1985.

Spudding will occur as soon as possible after the completion of the surface location, this will occur on or about July 15, 1985. The duration of drilling operations will be approximately 25 days.

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notifications given before resumption of operations.

The spud date will be reported orally to the AO within 48 hours after spudding. If the spudding occurs on a weekend or holiday, the report will be submitted on the following regular work day. The oral report will be followed up with a Sundry Notice.

In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 3160-6 "Monthly Report of Operations", starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report will be filed, in duplicate, to the Vernal B.L.M. District Office, 170 South - 500 East - Vernal, Utah 84078

IMMEDIATE REPORT: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO. and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a production status. Such notification will be sent by telegram or other written communication, not later than 5 days following the date on which the well is placed on production.

Pursuant to NTL-2B, with the approval of the District Engineer, produced water may be temporarily disposed of into lined pits for a period of up to 90 days. During the period so authorized, an application for approval of the permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer.

Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of 30 days or the production of 50 mmcf of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day or authorized test period.

A schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.7-3, and 3162.74 shall be submitted to the appropriate District Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in 43 CFR 3162.7 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-4.

A first production conference will be scheduled within 15 days after receipt of the first production notice.

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

Pursuant to Onshore Oil and Gas Order No. 1, lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in a manner which conforms with applicable Federal laws and regulations and with State and local laws and regulations to the extent that such State and local laws are applicable to operations of Federal or Indian lands.

B. THIRTEEN POINT SURFACE USE PLAN:

1. Existing Roads - See Topographic Map "A"

- A. The location of the Lizard Creek Federal No. 2-10 is approximately 25.6 miles in a southeasterly direction from Ouray, Utah.
- B. The proposed route to the location will be to proceed westerly out of Vernal, Utah along U. S. Highway 40 approximately 15 miles to the Junction of this highway and Utah State Highway 88; proceed southerly approximately 17 miles to Ouray, Utah. From Ouray, go south on Willow Creek road for approximately 8.0 miles then turn southeasterly on Seep Ridge road for approximately 2.5 miles. Take Mountain Fuel road east 4.5 miles to the point where it intersects with a B.L.M. maintained road. Proceed on the B.L.M. maintained road for 10.6 miles to the access road leading westward  $\pm 2000$  feet into the drill site.
- C. The highways in the foregoing paragraph are bituminous surfaced roads to a point just out of Ouray, Utah. The aforementioned dirt roads proceeding southeasterly out of Ouray and other roads in the area are constructed out of native materials that are prevalent to the areas they are located in. They range from clays to a sandy-clay shale material.
- D. Plans for improvement of the existing roads are not required. There is no anticipated construction on any portion of the above described roads. They will meet the necessary standards required to facilitate an orderly flow of traffic during the drilling phases, completion phase, and production phase of this well. (At such time that production is established).

The roads that are required for access during the drilling phase, completion phase, and production phase, will be maintained at the standards required by the B.L.M. or other controlling agencies.. This maintenance will consist of some minor grade work for smoothing of roads surfaces.

2. Planned Access Road - See Topographic Map "B"

- A. Width: The proposed access road will be an 18 foot crowned surface (9 feet either side of the centerline) with drain ditches along either side of the proposed road where it is determined necessary in order to handle any run-off from normal meteorological conditions that are prevalent to this area. The maximum width of the disturbed area will be 30 feet.
- B. Maximum Grades: Back slopes along the cut areas of the road will be 1-1/2 to 1 slopes and terraced. No more than a 10 percent grade will exist for any portion of the access road.
- C. Turnouts: There will be no turnouts required along this access road.
- D. Location: The planned access road leaves the B.L.M. maintained road in the approximate center of the NW/4, Section 11, T11S-R22E - S.L.B.&M., and proceeds in a westerly direction approximately 2000 feet to the proposed location in the NE/4 - NE/4 of Section 10.
- E. Drainage: Drainage ditches will be cut on either side of the road where it is determined necessary in order to handle any run-off from normal meteorological conditions.
- F. Surface Materials: The access road will be constructed out of native materials that are prevalent to the area of this location.
- G. Other: The access road must cross Bitter Creek. A culvert, 6 feet wide and 40 feet long will be placed in the creek to provide an adequate crossing.

A dry crossing will be used to cross the rerouted drainage.

All travel will be confined to existing access road right-of-way.

The previously described access road will most likely be the route used. However, there is the possibility a well will be drilled in Section 11, T11S-R22E (1500' FSL & 1500' FWL) which will also require crossing Bitter Creek. In the event the well to be known as the Flat Canyon Federal No. 1-11 (U-37837) is drilled prior to the Lizard Creek Federal No. 2-10 the crossing will be placed in the access road for the 1-11 well and the access to the 2-10 well run on the west side of Bitter Creek. The alternate route will be approximately 3500 feet in length, constructed as previously mentioned.

The alternate access road was discussed at the onsite. This will make it possible to access both locations with only one crossing.

3. Location of Existing Wells: See Topographic Map "B"

There are two (2) producing wells within a 1-mile radius of this well

- A. Enserch Exploration, Inc. - Bitter Creek Federal No. 1-3  
Section 3, T11S-R22E - NE/4
- B. Enserch Exploration, Inc. - Lizard Creek Federal No. 1-10  
Section 10, T11S-R22E - NW/4

There are no known abandoned wells, temporarily abandoned wells, observation wells, or wells for other services within a 1-mile radius of this proposed location.

4. Location of Tank Batteries and Production Facilities:

- A. Production facilities owned by Enserch within a 1-mile radius of the proposed drillsite includes equipment for the two wells shown in Point No. 3. Each lease has similar production facilities which consist of the following:

- 1 300 barrel flat bottom steel tank
- 1 300 barrel open top fiberglass tank
- 1 heater treater
- 1 dehydrator

- B. In the event the subject well is productive and requires production facilities, all permanent (on-site for six months or longer) structures constructed or installed (including oil well pumpjacks) will be painted a flat, non-reflective, earth-tone color to match the standard environmental colors, as determined by the Rocky Mountain 5 State Interagency Committee. All facilities will be painted within 6 months of installation. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain 1-1/2 times the storage capacity of the battery.

Tank batteries will be placed on the eastern most portion of the location, as shown on the illustrated production facilities layout.

All leading lines will be placed inside the berm surrounding the tank battery.

All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.

4. Location of Tank Batteries and Production Facilities: (Continued)

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the AO.

Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and anchored securely downstream of the meter. Meter runs will be housed and/or fenced.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calculated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter.

The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with the API standards for liquid hydrocarbons and the AGA standard for natural gas measurement.

The area will be built if possible, with native materials and if these materials are not available then the necessary arrangements will be made to get them from private sources. These facilities will be constructed using bulldozers, graders and workman crews to construct and place the proposed facilities. If there is any deviation from the above, all appropriate agencies will be notified. Rehabilitation of disturbed areas no longer needed for operations after construction is completed will meet the requirements of Item No. 10.

5. Location and Type of Water Supply:

All water needed for drilling purposes will be obtained from Bitter Creek located 600 feet south and 2100 feet east of the north-west corner of Section 27, T10S-R22E - S.L.B.&M. This water source is approximately 4.0 miles by road to the north of the proposed drillsite. This water will be hauled by truck over existing roads and the proposed access road.

All regulations and guidelines will be followed and no deviations will be made unless all concerned agencies are notified. Appropriate state water use permits will be obtained.

There will be no water well drilled at this location site.

6. Source of Construction Material:

All construction material for this location site and access road shall be borrow material accumulated during construction of the location site and access road. No additional road gravel from other sources are anticipated at this time, but if they are required, the appropriate actions will be taken to acquire them from private sources.

The use of materials under B.L.M. jurisdiction will conform to 43 CFR 3610.2-3.

Construction material will be located on lease.

7. Methods of Handling Waste Disposal:

A reserve pit will be constructed and will be lined.

The reserve pit depth will extend approximately 8 feet below the surface level of the location.

The reserve pit will be used as a fresh water storage area during the drilling of this well and will also be used to store non-flammable materials such as cuttings, salts, drilling fluids, chemicals and produced fluids, etc.

The pits will have wire and overhead flagging installed if deemed necessary to protect the water fowl, wildlife, and domestic animals.

At the onset of drilling, the reserve pit will be fenced on three sides and at the time drilling activities are completed, it will be fenced on the fourth side and allowed to dry completely prior to the time that backfilling and other reclamation activities are attempted. The fence will be wire mesh topped with at least one strand of barbed wire.

When the reserve pit dries and reclamation activities commence, the pits will be covered with a minimum of four feet of soil and all requirements in Item No. 10 will be followed.

A temporary trash basket will be supplied and will be placed on the location site. This trash basket will be used to contain trash accumulated at the site. The trash will be hauled to the nearest sanitary land fill. There will be no burning allowed on this location.

A portable chemical toilet will be supplied for human waste. Gray water will be drained into a rathole alongside the trailers.

7. Methods of Handling Waste Disposal: (Continued)

Produced waste water will be confined to a lined pit for a period not to exceed 90 days after initial production. During the 90 day period an application for approval of a permanent disposal method and location, along with required water analysis, will be submitted for the AO's approval. Failure to file an application within the time allowed will be considered an incident of non-compliance, and will be grounds for issuing a shut-in order.

8. Ancillary Facilities:

There are no camps or airstrips planned for this well. Temporary trailers will be moved onto location to house company personnel, the tool pusher and mud loggers during the drilling of this well.

9. Well Site Layout: See Attached Location Layout Sheet

The reserve pit will be located at the north-east side of location and will be lined.

Access to the well pad will be from the east end of the location.

Trash cages will be required and the reserve pits will be fenced with a wire mesh fence and topped with at least one strand of barbed wire.

The Vernal District B.L.M. Bookcliffs Resource Area will be notified 48 hours before any construction begins on the proposed location site.

The dirt contractors will be furnished with an approved copy of the surface plan and any additional B.L.M. stipulations prior to any work.

When drilling activities commence, all work shall proceed in a neat and orderly sequence.

10. Plans for Restoration of Surface:

Immediately upon completion of drilling, the location and surrounding area will be cleared of all debris, materials, trash and junk not required for production.

The reserve pit and that portion of the location and access road not needed for production or production facilities will be reclaimed.



10. Plans for Restoration of Surface: (Continued)

Before any dirt work to restore the location takes place, the reserve pit must be completely dry and all cans, barrels, pipe, etc., will be removed.

If the wellsite is to be abandoned then all disturbed areas will be recontoured to the approximate natural contours.

Prior to reseeding, all disturbed areas, including the access roads, will be scarified and left with a rough surface. Seed will be broadcast or drilled at a time specified by the B.L.M. If broadcast, a harrow or some other implement will be dragged over the seeded area to assure seed coverage. The appropriate seed mixture to be used will be specified by the B.L.M. at that time.

Any drainages re-routed during construction activities shall be restored to their original line of flow as near as possible. Fences around pits will be removed upon completion of drilling activities and all waste being contained in the trash basket shall be hauled to the nearest Sanitary Landfill.

The access road will be blocked to prevent vehicle use and prior to reseeding, all disturbed areas, including the access road, will be scarified and left with a rough surface.

Restoration activities shall begin within 90 days after completion of the well. Once restoration activities have begun, they shall be completed within 30 days. The Vernal B.L.M., Bookcliffs Resource Area will be contacted 48 hours prior to starting rehabilitation.

The Lessee further covenants and agrees that all of said clean-up and restoration activities shall be done and performed in a diligent and most workmanlike manner and in strict conformity with the above mentioned Items No. 7 and No. 10.

11. Surface and Mineral Ownership:

Bureau of Land Management  
Utah State Office  
University Club Building  
136 East South Temple  
Salt Lake City, Utah 84111

(Own both surface and minerals)

12. Other Information:

The Topography of the General Area - (See Topographic Map "A")

The area is a basin formed by the Blue Mountain Plateau and Green River to the north and the White River and the Roan Plateau to the south.

The Basin floor is interlaced with numerous canyons and ridges formed by the non-perennial streams of the area. The sides of these canyons are steep and ledges formed in a sandstone, conglomerates and shale deposits are extremely common to the area.

The geologic structures of the area that are visible are of the Uinta Formation (Eocene Epoch) Tertiary Period in the upper elevation and the cobblestone and younger alluvial deposits from the Quaternary Period.

Outcrops of sandstone ledges, conglomerate deposits and shale are common in the area.

The topsoils in the area range from a light brownish-gray sandy clay (SM-ML) type soil to poorly graded gravels to a clayey (OL) type soil.

The majority of the numerous washes and streams in the area are of a non-perennial nature flowing during the early spring run-off and extremely heavy rain storms of long duration which are extremely rare as the normal annual rainfall in the area is only 8 inches.

The White River to the north of this location is the only perennial stream that is affected by this location site.

Due to the low precipitation average, climate conditions and the marginal types of soils, the vegetation that is found in the area is common of the semi-arid region we are located in and in the lower elevations. It consists of areas of sagebrush, rabbitbrush, grease wood, some grasses, and cacti as the primary flora.

The fauna of the area is predominately mule deer, coyotes, prong-horn antelope, rabbits, and various small ground squirrels and other types of rodents. The area is used by man for the primary purposes of grazing domestic sheep and cattle.

The birds of the area are raptors, finches, ground sparrows, magpies, crows and jays.

The Topography of the Immediate Area - (See Topographic Map "B")

Lizard Creek Federal No. 2-10 is located on a relatively flat area above the steep White River Canyon.

The majority of the drainages in the area are of a non-perennial nature and drain to the north into the White River, approximately 7 miles.

The vegetation in the immediate area surrounding the location site is predominately sagebrush, greasewood and grasses.

There are no occupied dwellings or other facilities of this nature in the general area.

There will be no deviation from the proposed drilling and/or work-over program without prior approval from the AO. Safe drilling and operating practices will be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.2.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3164. There are no visible archaeological, historical, or cultural sites within any reasonable proximity of the proposed location site. The dirt contractor will be provided with an approved copy of the surface use plan.

A suitable cultural resource clearance has been provided for the project. If any cultural resources are found during construction, all work will stop and the AO will be notified.

This permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

13. Lessee's or Operators Representative and Certification:

M. E. (Dusty) Kinchen  
Enserch Exploration, Inc.  
7800 Stemmons Frwy., Suite 500  
Dallas, Texas 75247  
Phone: 214/630-8711

C. H. Peeples  
Enserch Exploration, Inc.  
7800 Stemmons Frwy., Suite 500  
Dallas, Texas 75247  
Phone: 214/630-8711

CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route, that I, am familiar with the conditions which currently exist, that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by

EP Operating Company

and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

9-17-86

C. H. Peeples/  
C. H. Peeples *BV*  
Regional Drilling Manager

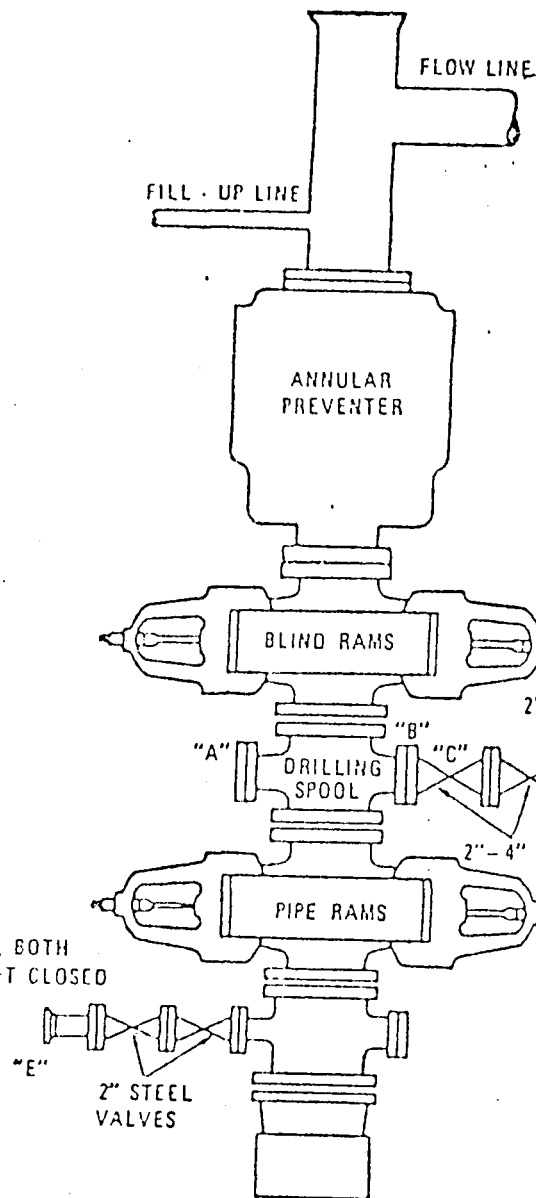
ON-SITE:

DATE: May 8, 1985

PARTICIPANTS:

<u>Greg Darlington</u>	<u>BLM</u>	<u>Environmental Scientist</u>
<u>Dusty Kinchen</u>	<u>Enserch Exploration, Inc.</u>	<u>Drilling Engineer</u>
<u>Leonard Heeny</u>	<u>Ross Construction</u>	<u>Contractor Representative</u>
<u>Brad Weber</u>	<u>Uintah Engineering</u>	<u>Surveyor</u>
<u>Garth Norman</u>	<u>AERC</u>	<u>Archaeologist</u>

MEK/hrs  
9-17-86



WHILE DRILLING, BOTH  
VALVES ARE KEPT CLOSED

IF POSSIBLE, CASING SPOOL SHOULD  
BE POSITIONED SO THAT THESE  
VALVES ARE DIRECTLY UNDER THE  
BARREL OF THE RAM PREVENTER.

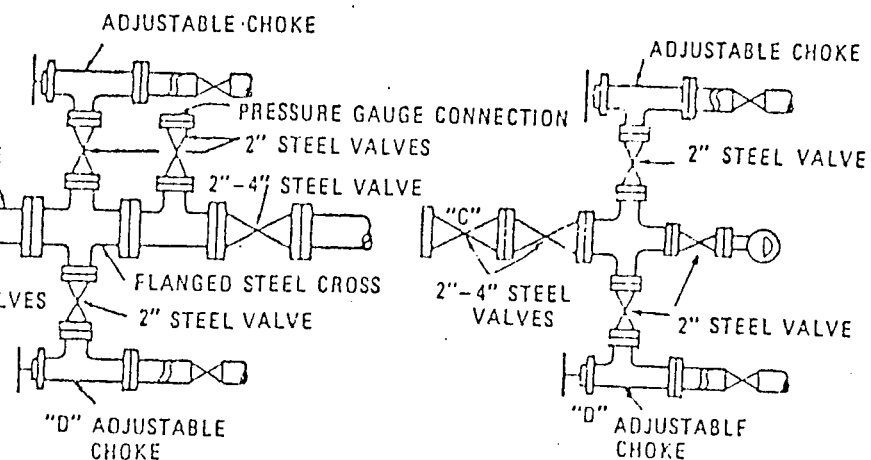
## EXHIBIT "A"

### THREE PREVENTER HOOKUP

Minimum W. P. - 3000 psi

#### CHOKE MANIFOLD

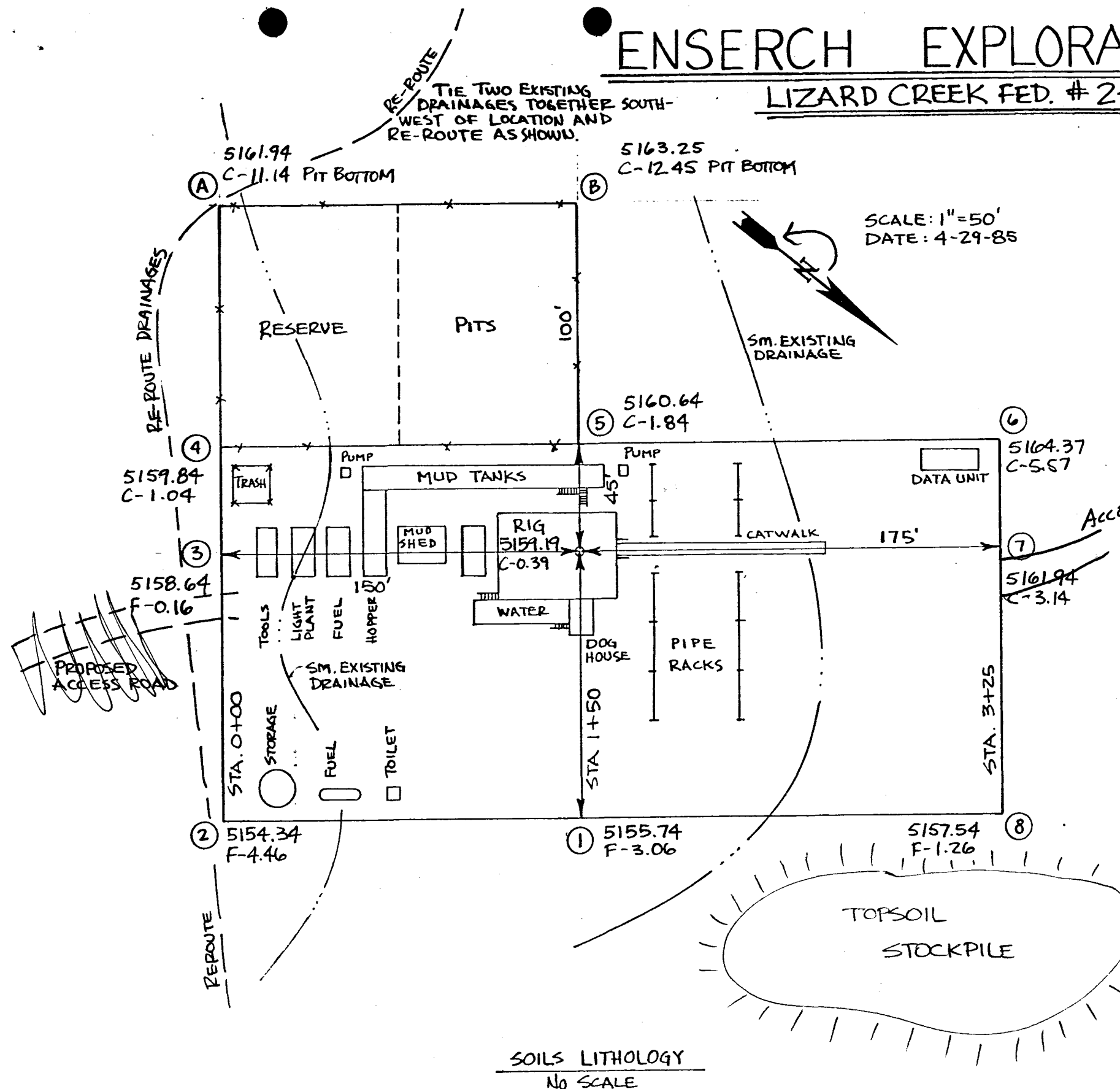
#### \* ALTERNATE CHOKE MANIFOLD



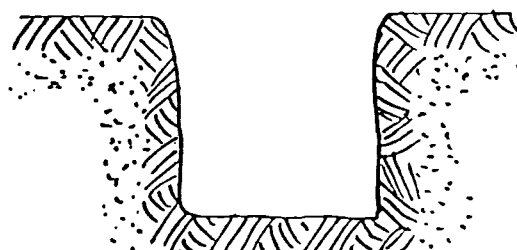
\* This is the anticipated B.O.P. equipment only.  
The actual equipment to be used will be dependent  
upon the drilling rig selected. Pressure ratings  
will be at least 3000 psi.

# ENSERCH EXPLORATION INC.

LIZARD CREEK FED. # 2-10

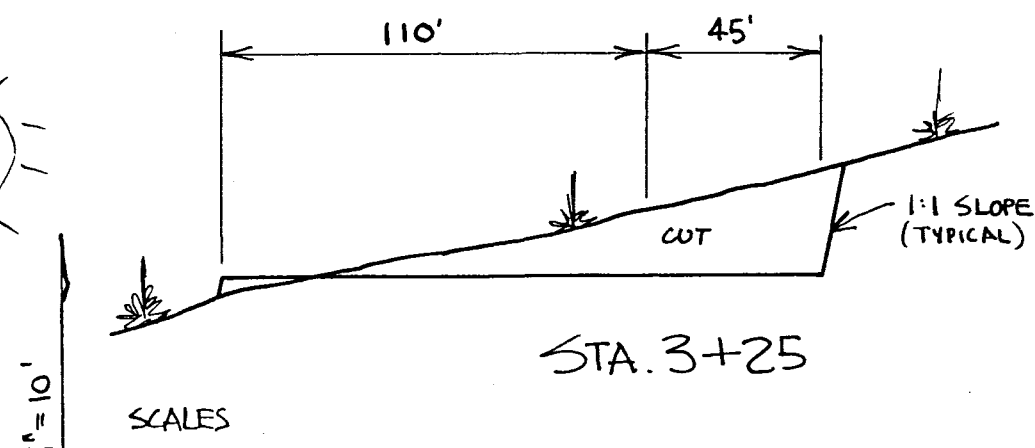
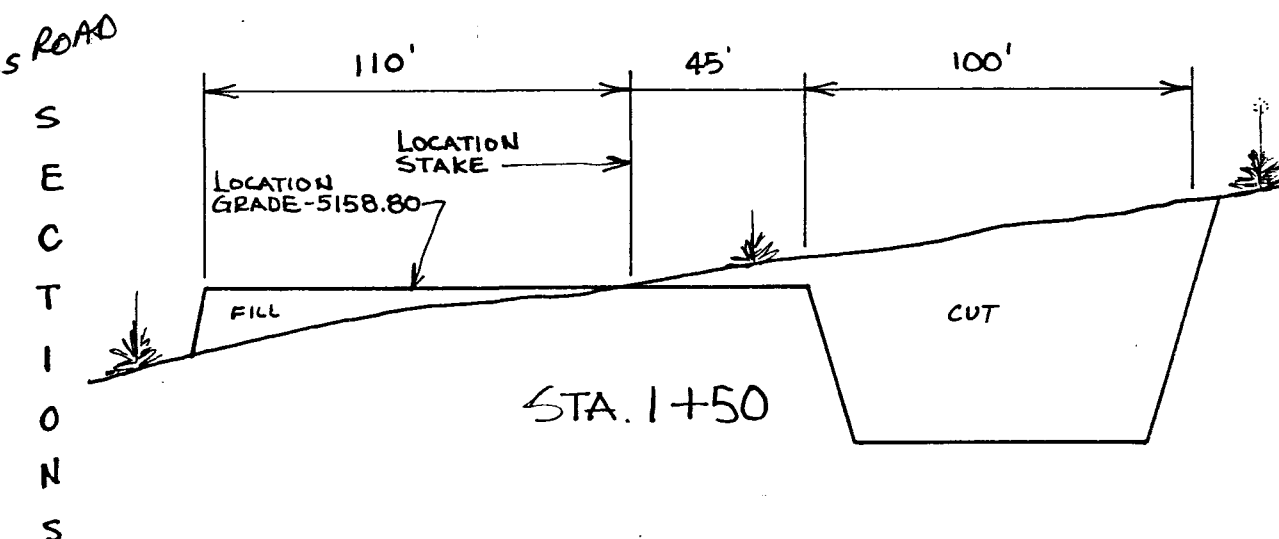
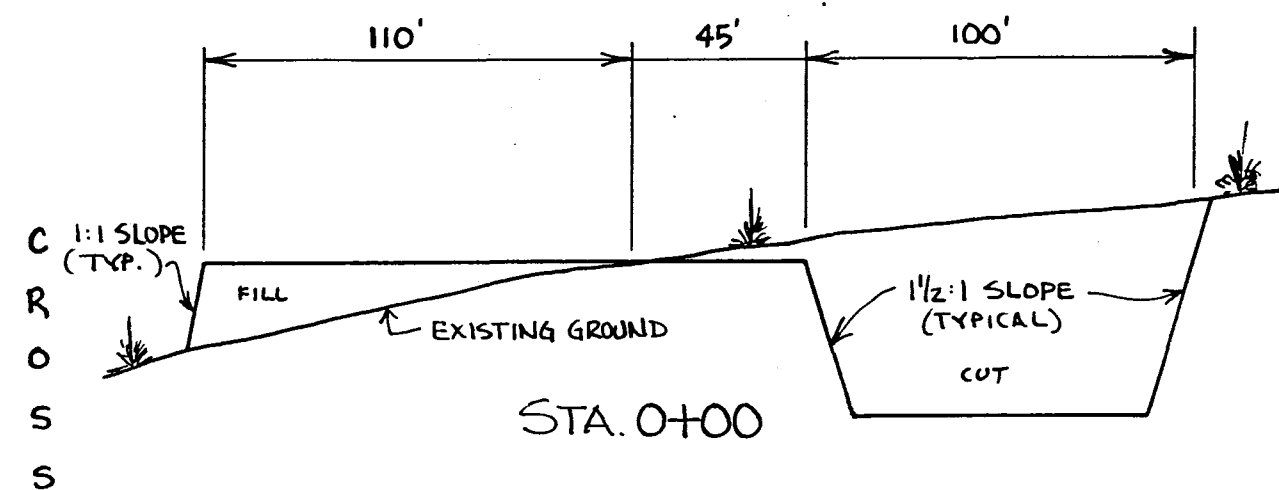


SOILS LITHOLOGY  
NO SCALE



LIGHT BROWN  
SANDY CLAY

\* NOTE: LOCATION WILL BE  
ROTATED 180° FROM THIS  
LAYOUT AS DISCUSSED  
AT THE ONSITE 5-8-85.



APPROXIMATE YARDAGES

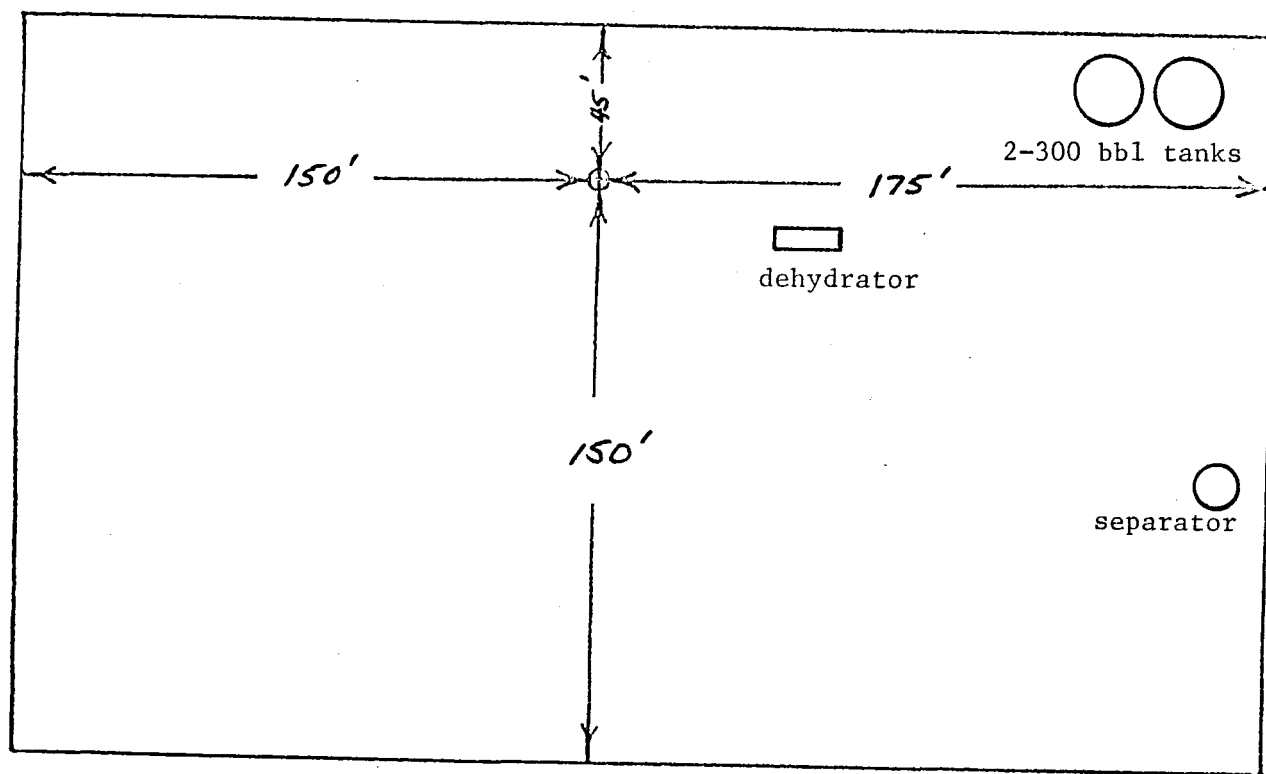
CUBIC YARDS CUT-7606.79

CUBIC YARDS FILL-1863.10

LOCATION OF PRODUCTION FACILITIES  
E.P. OPERATING COMPANY

LIZARD CREEK FEDERAL NO.2-10

scale: 1"=50'



ENSERCH EXPLORATION INC.

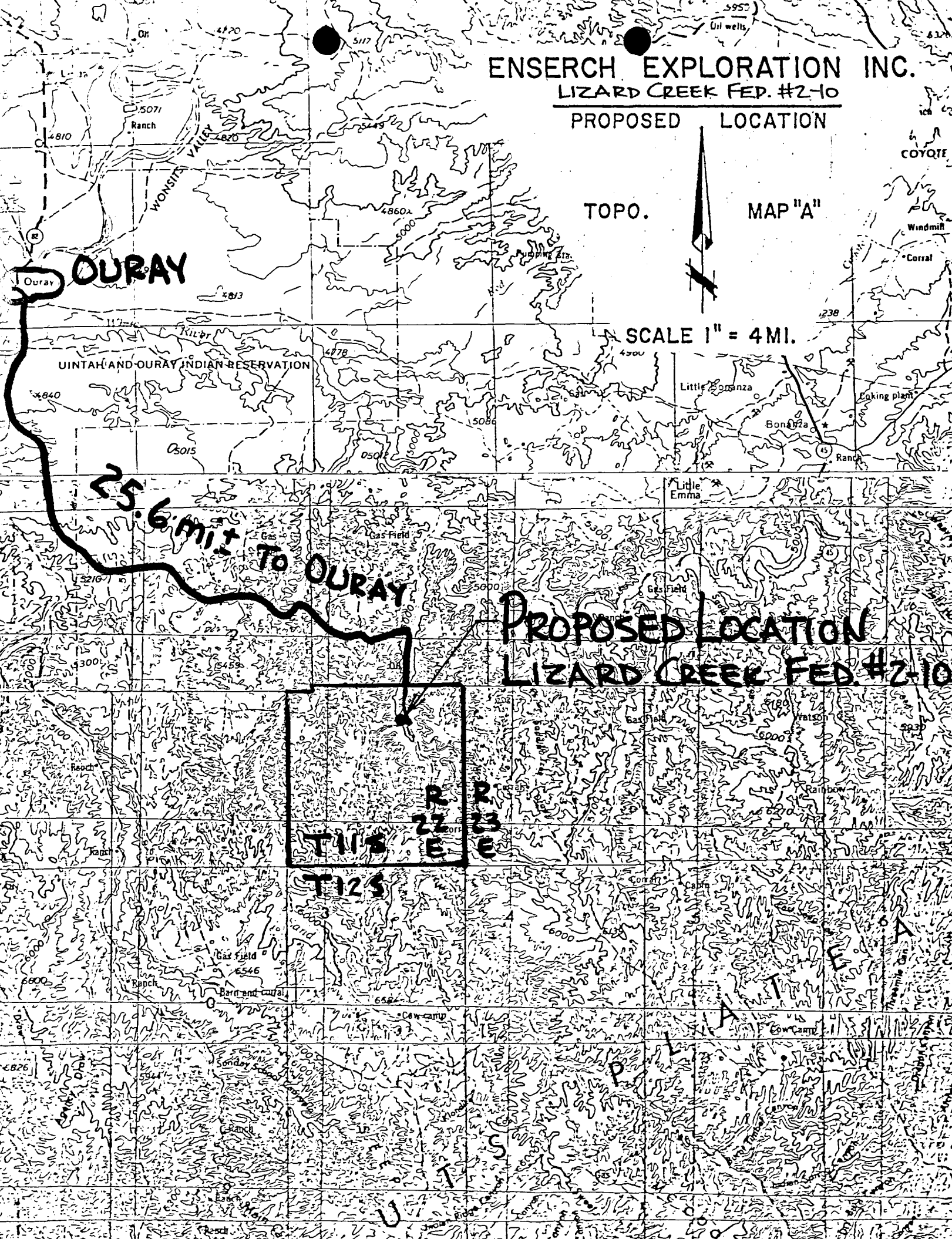
LIZARD CREEK FED. #2-10

PROPOSED LOCATION

TOPO.

MAP "A"

SCALE 1" = 4 MI.





21.94 mi. ± TO  
OURAY, UTAH

T10 S  
T11 S

3.64 mi. ±

ENSERCH EXPLORATION INC.  
LIZARD CREEK FED. #2-10  
PROPOSED LOCATION

PROPOSED LOCATION  
LIZARD CREEK FED. #2-10

Proposed  
Access Road  
2000 Ft. ±

TOPO.

MAP "B"

SCALE 1" = 2000'

RQAD CLASSIFICATION

Light duty road, all weather, Improved surface  
Unimproved road fair or dry weather

UTAH

QUADRANGLE LOCATION

BONDING

EP Operating Company, holds a nationwide oil and gas bond in the amount of \$150,000 filed with the United States Department of the Interior, Bureau of Land Management.

BOND NUMBER: MKO 2883958

ISSUED: May 16, 1985

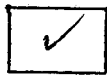
101538

OPERATOR EP Operating Co DATE 9-23-86  
WELL NAME Lizard Creek Fed. 2-10  
SEC NENE 10 T 11S R 22E COUNTY Uintah

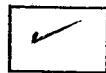
43-047-31760  
API NUMBER

Fed.  
TYPE OF LEASE

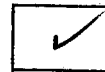
CHECK OFF:



PLAT



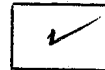
BOND

NEAREST  
WELL

LEASE



FIELD

POTASH OR  
OIL SHALE

PROCESSING COMMENTS:

Cause 210-1Need water permit

APPROVAL LETTER:

SPACING:

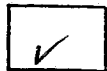


203

UNIT



302

210-1 7/26/84  
CAUSE NO. & DATE

302.1

STIPULATIONS:

1- Water



STATE OF UTAH  
NATURAL RESOURCES  
Oil, Gas & Mining

Norman H. Bangerter, Governor  
Dee C. Hansen, Executive Director  
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

October 14, 1986

EP Operating Company  
7800 Stemmons Freeway, Suite 500  
Dallas, Texas 75247

Gentlemen:

Re: Lizard Creek Federal 2-10 - NE NE Sec. 10, T. 11S, R. 22E  
1100' FNL, 800' FEL - Uintah County, Utah

Approval to drill the referenced well is hereby granted in accordance with the Order of Cause No. 210-1 dated July 26, 1984, subject to the following stipulations:

1. Prior to commencement of drilling, receipt by the Division of evidence providing assurance of an adequate and approved supply of water as required by Chapter 3, Title 73, Utah Code Annotated.

In addition, the following actions are necessary to fully comply with this approval:

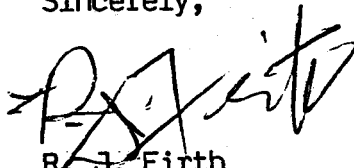
1. Spudding notification to the Division within 24 hours after drilling operations commence.
2. Submittal to the Division of completed Form OGC-8-X, Report of Water Encountered During Drilling.
3. Prompt notification to the Division should you determine that it is necessary to plug and abandon this well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695, or R. J. Firth, Associate Director, (Home) 571-6068.
4. Compliance with the requirements and regulations of Rule 311.3, Associated Gas Flaring, Oil and Gas Conservation General Rules.

Page 2  
EP Operating Company  
Lizard Creek Federal 2-10  
October 14, 1986

5. Prior to commencement of the proposed drilling operations, plans for toilet facilities and the disposal of sanitary waste at the drill site shall be submitted to the local health department having jurisdiction. Any such drilling operations and any subsequent well operations must be conducted in accordance with applicable State and local health department regulations. A list of all local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of General Sanitation, telephone (801) 533-6163.
6. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-047-31760.

Sincerely,



R. J. Firth  
Associate Director, Oil & Gas

as  
Enclosures  
cc: Branch of Fluid Minerals  
D. R. Nielson  
8159T

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

102711

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN

PLUG BACK ☐

b. TYPE OF WELL

OIL  
WELL ☐

GAS  
WELL ☒

OTHER

SINGLE  
ZONE ☒

MULTIPLE  
ZONE ☐

2. NAME OF OPERATOR

EP Operating Company

DIVISION OF

214/630-8711

3. ADDRESS OF OPERATOR

7800 Stemmons Frwy., Suite 500 - Dallas, Texas 75247

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*

At surface

1100' FNL & 800' FEL (NE-NE)

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

25.6 Miles SE of Ouray, Utah

15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

1100'

18. DISTANCE FROM PROPOSED LOCATION\*

TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

16. NO. OF ACRES IN LEASE

1520'

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

320

19. PROPOSED DEPTH

7500'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

5159' GR

22. APPROX. DATE WORK WILL START\*

June, 1987

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	48#	200'	To Surface
12-1/4"	8-5/8"	24#	2000'	To Surface
7-7/8"	5-1/2"	17#	7500'	Into Intermediate Casing

Anticipated BHP =  $\pm$  3500 psi

Propose to drill a 17-1/2 inch hole to 200 feet. Set 13-3/8 inch casing and cement to surface. Install a 13-5/8 inch x 13-3/8 inch, 3000 psi wellhead and a 12 inch x 3000 psi annular preventer to be used as a diverter. The BOP will be tested to 1500 psi. An aerated drilling fluid will be used to approximately 2000 feet where an intermediate casing string of 8-5/8 inch casing will be run to total depth and cemented back to surface. An 8-5/8 inch x 11 inch, 3000 psi wellhead will be installed along with a minimum of 11 inch, 3000 psi double hydraulic pipe and blind rams, and an annular preventer. The rams will be tested to 3000 psi and the annular to 1500 psi. A 7-7/8 inch hole will be drilled to total depth and 5-1/2 inch casing set if productive. If the well is non-productive, plugs will be set and the location will be restored according to B.L.M. instructions.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

C. H. Peoples

TITLE

Regional Drilling Manager

DATE

September 15, 1986

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

D. E. Little

TITLE

DISTRICT MANAGER

DATE

10/21/86

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED  
TO OPERATOR'S COPY

\*See Instructions On Reverse Side

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL  
WELL ☐

GAS  
WELL ☒

OTHER

SINGLE  
ZONE ☒

MULTIPLE  
ZONE ☐

2. NAME OF OPERATOR

EP Operating Company

214/630-8711

3. ADDRESS OF OPERATOR

7800 Stemmons Frwy., Suite 500 - Dallas, Texas 75247

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*

At surface

1100' FNL & 800' FEL (NE-NE)

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

25.6 Miles SE of Ouray, Utah

15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drlg. unit line, if any)

1100'

16. NO. OF ACRES IN LEASE

1520'

17. NO. OF ACRES ASSIGNED  
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TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

7500'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

5159' GR

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Anticipated BHP =  $\pm$  3500 psi

Propose to drill a 17-1/2 inch hole to 200 feet. Set 13-3/8 inch casing and cement to surface. Install a 13-5/8 inch x 13-3/8 inch, 3000 psi wellhead and a 12 inch x 3000 psi annular preventer to be used as a diverter. The BOP will be tested to 1500 psi. An aerated drilling fluid will be used to approximately 2000 feet where an intermediate casing string of 8-5/8 inch casing will be run to total depth and cemented back to surface. An 8-5/8 inch x 11 inch, 3000 psi wellhead will be installed along with a minimum of 11 inch, 3000 psi double hydraulic pipe and blind rams, and an annular preventer. The rams will be tested to 3000 psi and the annular to 1500 psi. A 7-7/8 inch hole will be drilled to total depth and 5-1/2 inch casing set if productive. If the well is non-productive, plugs will be set and the location will be restored according to B.L.M. instructions.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

*C. H. Peoples*  
C. H. Peoples

TITLE

Regional Drilling Manager

DATE

September 15, 1986

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

*David E. Hille*

TITLE

DISTRICT MANAGER

DATE

10/21/86

CONDITIONS OF APPROVAL, IF ANY:

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED  
TO OPERATING COPY

\*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL  
WITHIN THE UINTAH OURAY RESERVATION

Company EP Operating Co. Well No. 2-10  
Location NENE Sec. 10 T11S R22E Lease No. U-37837

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

A. DRILLING PROGRAM

1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered:

Report all water shows and water-bearing sands encountered to Wayne Svejnoha of this office. Copies of State of Utah form OGC-8-X will be acceptable. If noticeable water flows are encountered, submit samples to this office along with any water analyses conducted by the operator.

2. Pressure Control Equipment

All BOPE and testing procedures will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place.

3. Casing Program and Auxiliary Equipment

Twelve hours prior to running and cementing the 8-5/8" intermediate string, notify Al McKee or Jerry Kenczka.

All water zones and other mineral zones are protected or isolated by the proposed cementing program. If bore hole conditions prevent successful completion of the proposed plan, this office shall be notified immediately to determine required remedial protection procedures.

A staked down bloopie line shall extend at least 100' from the rig to a bloopie pit separate from the reserve pit with a constant burning pilot light while using areated mud.

4. Coring, Logging and Testing Program

A bore hole compensated sonic log shall be run through the Mahogany Oil Shale Zone (estimated top at +1,960') of the Parachute Creek Member of the Green River Formation.

A cement bond log shall be run after cementing the 5½" casing.



Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

5. Other Information

All loading lines will be placed inside the berm surrounding the tank battery.

All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the AO.

Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried or anchored down from the wellhead to the meter and 500 feet downstream of the meter run or any production facilities. Meter runs will be housed and/or fenced.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with the API standards for liquid hydrocarbons and the AGA standard for natural gas measurement.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

There will be no deviation from the proposed drilling and/or work-over program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or

orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

In the event after-hour approvals are necessary, please contact one of the following individuals:

Craig M. Hansen	(801) 247-2318
Assistant District Manager for Minerals	

Gerald E. Kenczka	(801) 781-1190
Petroleum Engineer	

R. Allen McKee	(801) 781-1368
Petroleum Engineer	

Revised October 1, 1985

Date APD Received 09/19/86

CONDITIONS OF APPROVAL  
FOR THE SURFACE USE PROGRAM OF THE  
APPLICATION FOR PERMIT TO DRILL

Company/Operator EP Operating Company  
Well Name & Number Lizard Creek 2-10  
Lease Number U-37837  
Location NE ¼ NE ¼ Sec. 10 T. 11 S. R. 22 E.  
Surface Ownership Public Lands Administered by the BLM

B. THIRTEEN POINT SURFACE USE PROGRAM:

Multipoint Requirements to Accompany APD

Most of our general requirements are incorporated in the APD. We have the following additional requirements and comments regarding the Lizard Creek Federal 2-10 well.

1. Well Site Layout

With regard to well site layout, recall that at the onsite of May 8, 1985, the location was rotated 180°. This places the reserve pit on the northeast side of the pad. A separate blooie pit at least 100 feet from the well head shall be constructed to accommodate the blooie line during drilling operations. The reserve pit will require an adequate pit liner to prevent seepage to nearby drainages.

No separate topsoil stockpile will be required. Access will enter the pad on the southeast side of the pad. The access road is to include a culvert at least 6 feet in diameter and about 40 feet long to provide an adequate crossing of Bitter Creek. Our District Hydrologist and Division of Operations have these further comments with regard to the culvert crossing:

- a. A minimum of six feet diameter culvert will be required based on stream flow records.
- b. Use of a coffer dam upstream to stop water flow when installing culvert is ok.
- c. Existing four foot culvert will be removed.
- d. Fill material should be compacted to at least a 95 PROCTER INDEX. This cannot be obtained by use of a cat. Material will be layed down in maximum of 12-inch lifts and then compacted.
- e. The upstream side of the structure will be rip-rapped. Upstream slopes of 3:1 fill and downstream slopes of 2:1 fill are recommended.
- f. Please contact the Book Cliffs Resource Area at 801-789-1362 when the dirt contractor is ready to begin construction of the culvert crossing. Someone from the Vernal BLM should be on site during the installation to ensure installation is according to these recommendations.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE\*  
(Other instructions on re-  
verse side)

Form approved.  
Budget Bureau No. 1004-0135  
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL ☐ GAS WELL ☒ OTHER ☐  
2. NAME OF OPERATOR E. P. Operating Company DIVISION OF OIL, GAS & MINING (214) 630-8711  
3. ADDRESS OF OPERATOR 7800 Stemmons Frwy - Ste 500 Dallas, TX 75247  
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\*  
See also space 17 below.)  
At surface  
1100' FNL & 800' FEL (NE-NE)  
14. PERMIT NO. 43-047-31700 15. ELEVATIONS (Show whether DF, RT, GR, etc.)  
UT-080-6-M-81 5159' GR

5. LEASE DESIGNATION AND SERIAL NO.  
Federal U-37837  
6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
102806  
7. UNIT AGREEMENT NAME  
8. FARM OR LEASE NAME  
Lizard Creek Federal  
9. WELL NO.  
2-10  
10. FIELD AND POOL, OR WILDCAT  
Bitter Creek Field  
11. SEC., T., R., M., OR BLK. AND  
SURVEY OR AREA  
Section 10, T11S-R22E  
S.L.B. & M.  
12. COUNTY OR PARISH  
Uintah  
13. STATE  
Utah

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF ☐  
FRACTURE TREAT ☐  
SHOOT OR ACIDIZE ☐  
REPAIR WELL ☐  
(Other) Extend Drilling Permit ☒

PULL OR ALTER CASING ☐  
MULTIPLE COMPLETE ☐  
ABANDON\* ☐  
CHANGE PLANS ☐

SUBSEQUENT REPORT OF:

WATER SHUT-OFF ☐  
FRACTURE TREATMENT ☐  
SHOOTING OR ACIDIZING ☐  
(Other) ☐  
REPAIRING WELL ☐  
ALTERING CASING ☐  
ABANDONMENT\* ☐

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

The Application for Permit to Drill was approved 10-21-86. Due to the gas market situation, this well was not drilled in the past 12 months. In hopes that the market situation will improve in the next 12 months we request an extension of the APD for one year.

18. I hereby certify that the foregoing is true and correct

SIGNED Jack L. Sledge  
(This space for Federal or State office use)

TITLE Regional Drilling Manager DATE 10-14-87

APPROVED BY \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY:

TITLE \_\_\_\_\_

ACCEPTED BY THE STATE  
OF UTAH DIVISION OF  
OIL, GAS, AND MINING

DATE: 10-26-87  
BY: [Signature]

\*See Instructions on Reverse Side

Federal approval of this action  
is required before commencing  
operations.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE  
(Other instructions  
verse side)

Form approved.  
Budget Bureau No. 1004-0135  
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen wells in a different reservoir.  
Use "APPLICATION FOR PERMIT TO DRILL" for such proposals.)

1. OIL WELL ☐ GAS WELL ☒ OTHER ☐

2. NAME OF OPERATOR  
E. P. Operating Company

3. ADDRESS OF OPERATOR  
7800 Stemmons Frwy - Ste 500, DIVISION OF OIL, GAS & MINING, TX 75247

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\*  
See also space 17 below.)  
At surface  
1100' FNL & 800' FEL (NE-NE)

14. PERMIT NO.  
UT-080-6-M-81

15. ELEVATIONS (Show whether DF, RT, GR, etc.)  
5159' GR

5. LEASE DESIGNATION AND SERIAL NO.  
Federal U-37837

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME  
Lizard Creek Federal

9. WELL NO.  
2-10

10. FIELD AND POOL, OR WILDCAT  
Bitter Creek Field

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
Section 10, T11S-R22E  
S.L.B. & M.

12. COUNTY OR PARISH  
Uintah

13. STATE  
Utah

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

PULL OR ALTER CASING

FRACTURE TREAT

MULTIPLE COMPLETE

SHOOT OR ACIDIZE

ABANDON\*

REPAIR WELL

CHANGE PLANS

(Other) Extend Drilling Permit

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other)

REPAIRING WELL

ALTERING CASING

ABANDONMENT\*

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

The Application for Permit to Drill was approved 10-21-86. Due to the gas market situation, this well was not drilled in the past 12 months. In hopes that the market situation will improve in the next 12 months we request an extension of the APD for one year.

VERNAL DIST.  
ENG. Rm  
GEOL. \_\_\_\_\_  
E.S. \_\_\_\_\_  
PET. \_\_\_\_\_  
A.M. \_\_\_\_\_

OCT 1987

RECEIVED  
BUREAU OF LAND MANAGEMENT  
OCT 16 1987

18. I hereby certify that the foregoing is true and correct

SIGNED

Jack I. Sledge

TITLE Regional Drilling Manager

DATE 10-14-87

(This space for Federal or State office use)

ASSISTANT DISTRICT  
MANAGER MINERALS

APPROVED BY

TITLE

DATE

OCT 20 1987

CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions on Reverse Side

CONDITIONS OF APPROVAL ATTACHED  
TO OPERATOR'S COPY



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

### VERNAL DISTRICT OFFICE

170 South 500 East

Vernal, Utah 84078

IN REPLY  
REFER TO:

3162.35

UT08438

U-37837

December 6, 1988

E P Operating Company  
7800 Stemmons Frwy., Suite 500  
Dallas, TX 75247

Re: Rescind Application for Permit to Drill  
Well No. Lizard Creek Fed. 2-10  
Section 10, T11S, R22E  
Uintah County, Utah  
Lease No. U-37837

43-047-31760

Gentlemen:

The Application for Permit to Drill the referenced well was approved on October 21, 1986. A request for a one (1) year extension to October 21, 1988, was submitted and approved. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is rescinding the approval of the referenced application without prejudice. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,

Gerald E. Kenczka  
Acting ADM for Minerals



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Norman H. Bangert  
Governor

Dee C. Hansen  
Executive Director

Dianne R. Nielson, Ph.D.  
Division Director

355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
801-538-5340

December 9, 1988

E P Operating Company  
7800 Stemmons Frwy., Suite 500  
Dallas, TX 75247

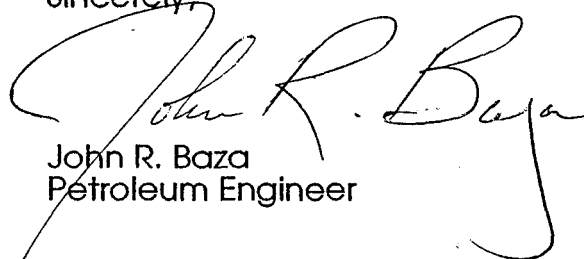
Gentlemen:

Re: Lizard Creek Fed. 2-10, Sec.10, T.11S, R.22E, Uintah County, Utah  
API NO. 43-047-31760

In concert with action taken by the U.S. Bureau of Land Management, approval to drill the above referenced well is hereby rescinded. A new Application for Permit to Drill must be filed with this office for approval, prior to future drilling of the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division of Oil, Gas and Mining immediately.

Sincerely,



John R. Baza  
Petroleum Engineer

tc

cc: D. R. Nielson  
R. J. Firth  
BLM-Duchesne  
Well file  
WE16/88